



# Board Agenda Item 3

DATE: April 28, 2020  
TO: Board of Supervisors  
SUBMITTED BY: Jean M. Rousseau, County Administrative Officer  
SUBJECT: Coronavirus Aid, Relief, and Economic Security Act Funding

RECOMMENDED ACTION(S):

- 1. Retroactively approve and authorize the submittal of required documentation and certification to the United States Treasury Department to secure the County of Fresno's portion of the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding; and**
- 2. Adopt Budget Resolution increasing the FY 2019-20 appropriations and estimated revenues for ACTTC - Disaster Recovery Fund 0026, Subclass 91019, Org 1031 in the amount of \$82,000,000(4/5 vote).**

Funds received from the CARES Act distribution will be distributed by the Auditor-Controller/Treasurer-Tax Collector to requesting County departments, on a claim-by-claim basis, to cover certain necessary expenditures incurred due to the public health emergency with respect to COVID-19, as allowable under the CARES Act and guidance from the United States Treasury Department, which is forthcoming. To receive such funding, the County must provide a certification to Secretary of the Treasury that the County's proposed uses of the funds comply with the statutory requirements. If the County does not comply with the statutory requirements for expenditures, the County can be required to repay the federal government in the amount of those expenditures. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, the County of Fresno would return any funds received to date in relation to this funding to the United States Treasury Department.

RETROACTIVE AGREEMENT:

This item is retroactive due to this funding stream becoming available on April 13, 2020, and the funds being received by the County on April 24, 2020.

FISCAL IMPACT:

There is no Net County Cost associated with item. County Departments will have the opportunity to submit a claim to the Auditor-Controller/Treasurer-Tax Collector for reimbursement of expenditures incurred for items allowable by the CARES Act and guidance from the United States Treasury Department. It is anticipated that Departments will have sufficient appropriations for the remainder of this fiscal year and will include any additional appropriation needs in their FY 2020-21 Recommended Budget.

DISCUSSION:

On March 27, 2020, the CARES Act was approved (Public Law 116-136), thereby opening several funding streams in an effort to assist the Country's citizens, small business owners, state and local governments, and preserving jobs, in a variety of different ways.

For state and local governments, the CARES Act established an \$150 billion Coronavirus Relief fund. This Fund is available to select cities, counties, US territories, and Tribal governments to cover expenses that:

1. Are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
2. Were not accounted for within the most recently approved County budget as of March 27, 2020; and
3. Are incurred between March 1, 2020, and December 31, 2020.

Additional guidance from the United States Treasury Department with more specific information about allowances and/or restrictions is expected to be received in the coming weeks.

In order to receive payment under the CARES Act, the County has provided the Secretary of the Treasury with a certification that the County's proposed uses of the funds comply with the requirements listed above.

The CARES Act provides that the Inspector General of the Department of the Treasury shall conduct monitoring and oversight of the receipt, disbursement, and uses of funds made available to state and local governments from the CARES Act Coronavirus Relief Fund. If the Inspector General determines that the County has failed to comply with the requirements listed above, then the County can be required to repay to the federal government the amount of funds involved in the failure to comply.

Based upon information provided by the State and other legislative experts, it is anticipated that the County of Fresno will receive over \$80 million from the CARES Act Coronavirus Relief Fund.

After the funds are received, the Auditor-Controller/Treasurer-Tax Collector will distribute a method by which County Departments may receive a portion of these funds on a claim-by-claim basis. Departments will be required to submit a request for reimbursement, which must include all detailed support.

Auditor-Controller/Treasurer-Tax Collector staff will review the support for the expenditures listed in the request for reimbursement and determine if they are, indeed, covered by the CARES Act and guidance available from the United States Treasury Department. If the claim is approved, in whole or in part, a journal entry will then be made to reimburse the County Department for their expenditures. Any expenditures disallowed by the CARES Act Coronavirus Relief Fund will be further reviewed for claiming against other revenue streams up to an including any future FEMA claims the County may file.

REFERENCE MATERIAL:

Additional information may be viewed on the US Treasury Departments website for CARES Act funding at: <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

ATTACHMENTS INCLUDED AND/OR ON FILE:

CAO Certification - CARES Act Funding  
On file with the Clerk - Budget Resolution (Org 1031)

CAO ANALYST:

Debbie Paolinelli